

the nation's
public-private partnership
dedicated to performance excellence



2011 Board of Overseers Report

The Malcolm Baldrige National Quality Award

Introduction

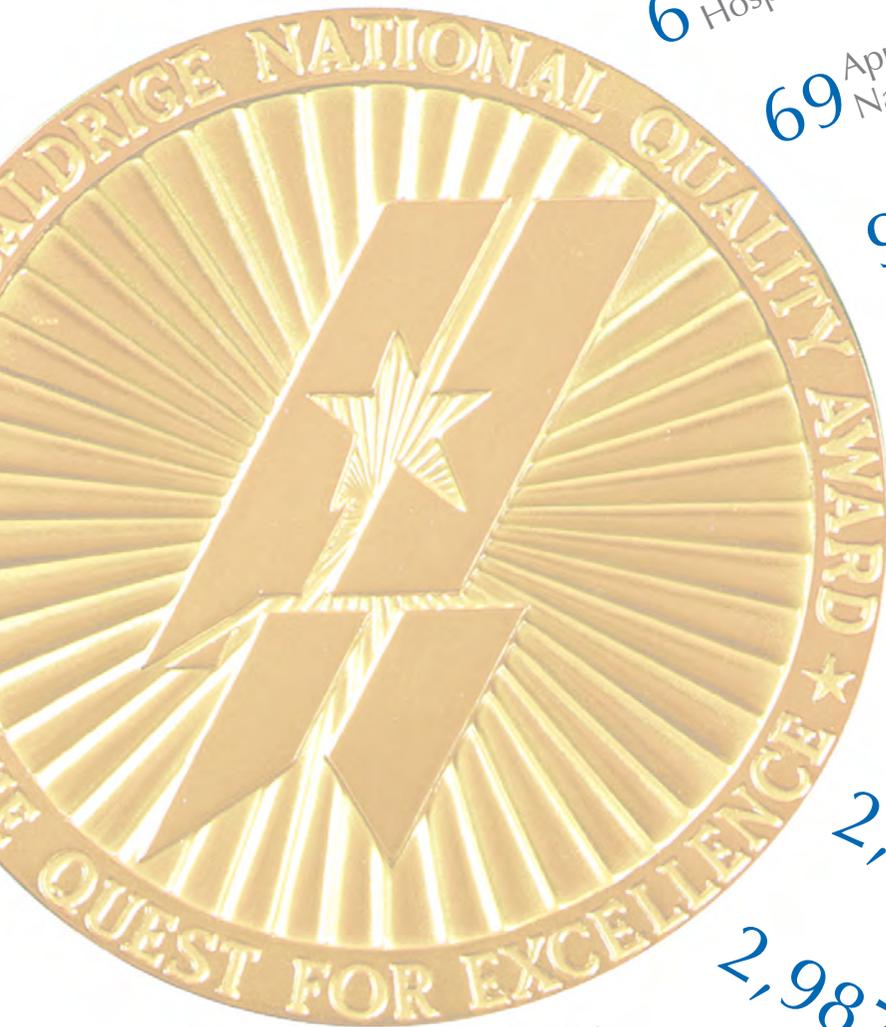
The year 2011 was one of contrasts for the Baldrige Performance Excellence Program. In addition to fulfilling our traditional role as the nation's premier performance excellence program, we saw many of the innovative efforts of the Baldrige community come to fruition. These included

- the development and execution of a social media strategy to establish Baldrige as a thought leader in the online space—an effort that was recognized as a role model by NIST and the Department of Commerce
- efforts to quantify the value created by the Baldrige approach, including a study that demonstrates the performance advantages enjoyed by “Baldrige hospitals” and an updated social rate-of-return study
- the rollout of two successful initiatives targeted at senior executives—the Baldrige Executive Fellows Program and a publication, *Baldrige 20/20: An Executive's Guide to the Criteria for Performance Excellence*

These accomplishments occurred against a backdrop, however, that presented significant challenges to the Program. These began with the request by then Secretary of Commerce Gary Locke that the Program study new funding models in an effort to increase the portion of support that comes from the private sector. They continued with Congressional bills that eliminated Program funding and eventually the signing of an appropriation into law that made this a reality—a reality that was accompanied by tremendous and unprecedented outpouring of support for the Program from all corners of the Baldrige community.

At the end of the calendar year, the Baldrige Program is developing a new business model that will transform the program, increase our engagement with our key partners—the Baldrige Foundation, the Alliance for Performance Excellence, and ASQ—and ensure the long-term sustainability of the national Baldrige Enterprise. While we will certainly look different in the coming year, we will continue to carry out our three core purposes—defining, promoting, and recognizing performance excellence—in partnership with a strong, committed Baldrige community. We plan on this being the first of many annual reports to our partners and stakeholders.

2011 Baldrige By the Numbers



4 Baldrige Award recipients

6 Number of times more likely a Baldrige Hospital is to be a Top 100 Hospital

69 Applications for the Malcolm Baldrige National Quality Award

93 Percent of median revenue growth for two-time Baldrige Award winners

537 Members of the Board of Examiners

820 Dollars of economic benefit per dollar of federal investment in the Baldrige Program

850 Attendees at the 23rd Annual Quest for Excellence® conference

2,270 State examiners in Baldrige-based programs

2,987,000 Views of the Criteria on the Baldrige Web Site

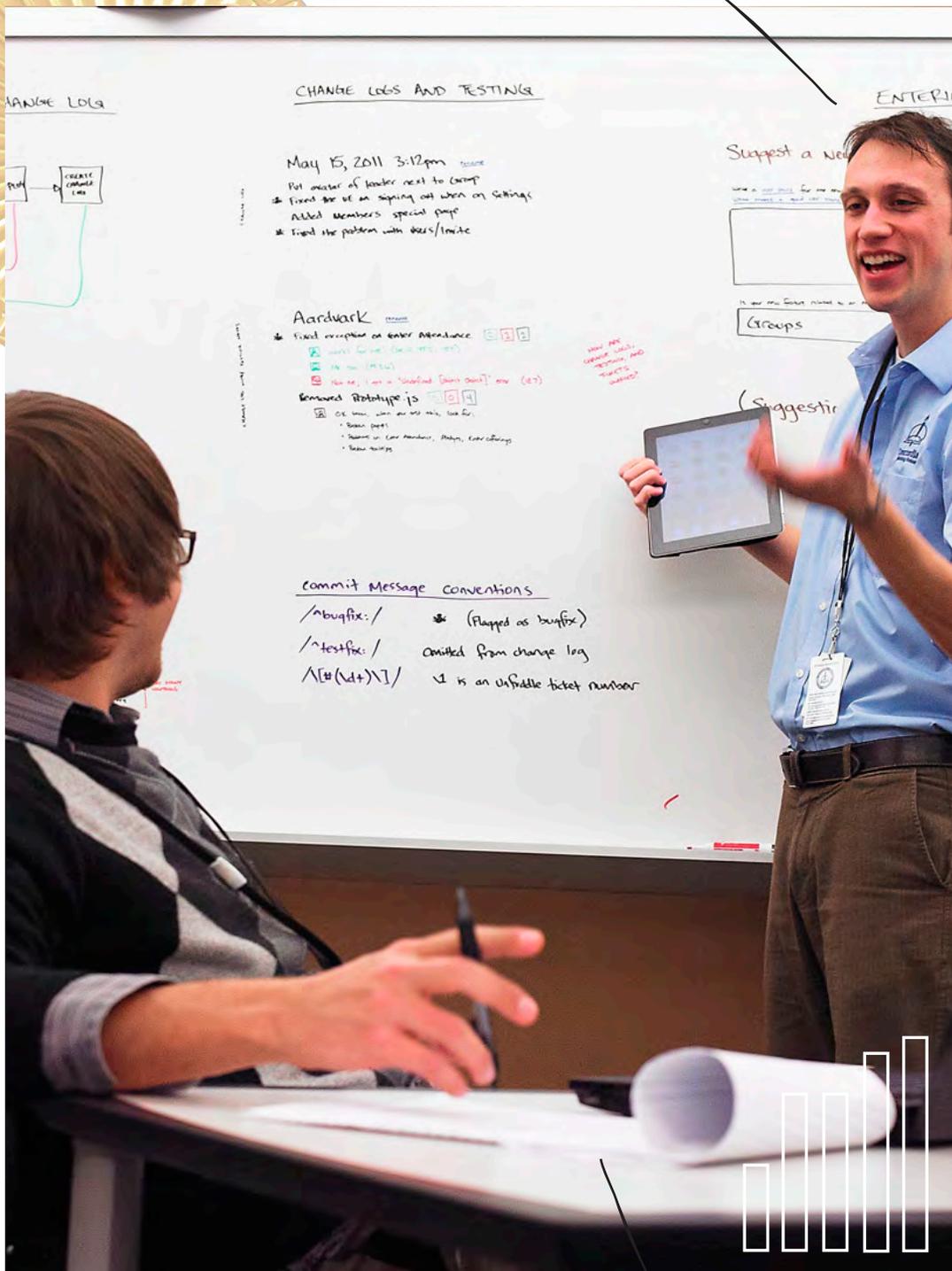
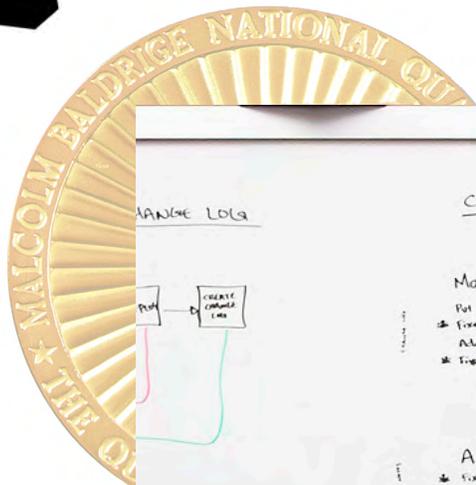
8,800,000 Dollars of service donated by the Board of Examiners



Concordia Publishing House

2011 Baldrige Award Recipient, Nonprofit Category

247 employees and revenues of \$35 million



CHANGE LOGS

CHANGE LOGS AND TESTING

ENTERIN



May 15, 2011 3:12pm
Put master of footer next to commit
Fixed bug of an missing out when on settings
Added members special page
Fixed the problem with docs/footer

Hardwork

- Fixed exception on enter Attendance
- Removed Prototype.js
- Added new CSS
- Added new JS
- Added new PHP
- Added new HTML
- Added new CSS
- Added new JS
- Added new PHP
- Added new HTML

commit Message conventions

- /bugfix:/ (Flagged as bugfix)
- /testfix:/ comited from change log
- ^#[1-9]+\$/ 1 is an unfiddle ticket number

Suggest a New



Groups

(Suggestin

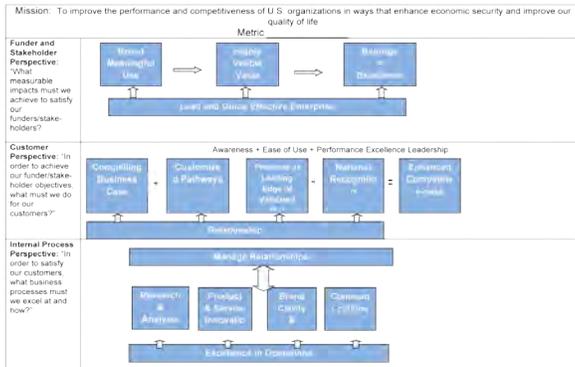
Customer Call Center—ranked as a "Center of Excellence" by Purdue University

named among the "Best Christian Workplaces in the United States"

Business Model Innovation . . . Baldrige 2.0

In 2011, the Baldrige Program responded to significant changes in the external landscape. The year began with a charge by then-Secretary of Commerce Gary Locke to study alternative funding models, with the goal of increasing private sector support for the public-private partnership. By midyear, it had become clear that Congress intended to eliminate federal appropriations for the program in fiscal year (FY) 2012 as part of government-wide deficit reduction efforts. These events affected two key program initiatives for the year: strategy mapping, which was already underway, and a new effort, the creation of a sustainable Baldrige Enterprise model.

Baldrige Performance Excellence Program Strategy Map



Strategy Mapping

Although the program had already begun a new round of strategic planning by the time Secretary Locke communicated his charge, it served to accelerate and refocus that work. The Baldrige Strategy Map is a road map that positions the program to achieve its mission—“to improve the performance and competitiveness of U.S. organizations in ways that enhance economic security and improve our quality of life”—in today’s rapidly changing environment.

Baldrige Enterprise Model

Facing the prospect of the elimination of federal funding, the program was challenged to rapidly implement some of the strategy map’s key concepts—diversifying funding streams, leveraging partnerships, innovating product and service offerings, and developing a business model that ensured the long-term sustainability of the Baldrige Enterprise, which includes the Baldrige Program, the Baldrige Foundation, the Alliance for Performance Excellence, and ASQ.

At year’s end, the new Enterprise model was taking shape. These key actions have already taken place:

- The Baldrige Foundation has agreed to provide funding for program operations in FY2012 and to support operations in 2013.
- The four partner organizations have developed a draft framework for realigning important Baldrige processes across the enterprise in a way that optimizes the services and finances of the entire enterprise.
- An internal program team has identified opportunities to save time and money as well as to activate new revenue streams.

The year 2012 promises to be one of transformation that will energize all aspects of the Baldrige Enterprise and see the creation of new partnerships, products, and relationships. As Program Director Harry Hertz wrote in a recent Blogrige post,

“We will be different, but we plan on being here and being true to our three strategic thrusts of defining, promoting and recognizing performance excellence.”



Henry Ford Health System

2011 Baldrige Award Recipient, Health Care Category

*workforce of 29,856 with
revenue of \$4.08 billion*



*Health Alliance Plan rated number one
for member satisfaction among all
health insurance plans in Michigan
by J.D. Powers and Associates*

*according to the Institute for
Healthcare Improvement, HFHS's
evidenced-based global harm campaign
is a national best practice*



Educating America's Executives

Reaching out to U.S. executives is critical to the success of the Baldrige Program. Two recent initiatives targeted specifically at senior executives are the Baldrige Executive Fellows Program and a new publication, *Baldrige 20/20: An Executive's Guide to the Criteria for Performance Excellence*.

Baldrige Executive Fellows Program

The Fellows Program is an executive development program centered on forming relationships with and learning from Baldrige Award recipients and their senior executives, as well as other cohort members. The first cohort of 14 Baldrige Fellows completed the yearlong program in September 2011. Participants included executives from AARP, Packaging Corporation of America, Dow Chemical, Sara Lee, UPS, and USG International, among other organizations.

Baldrige Fellows attend five face-to-face sessions, including visits to Baldrige Award recipient organizations. Each Fellow completes an individualized capstone project that reflects self-determined learning objectives addressing a strategic issue or need that is significant to the sponsoring organization. The next cohort of Baldrige Fellows will begin the program at the Quest for Excellence conference in April 2012.

I think the Baldrige Executive Fellows was a great program. We're just wrapping up a 12-month journey, and for me, the level of passion, enthusiasm, and excitement that the companies we visited had on display was second to none. The capstone project really forced me to take a look at some of our underlying processes and dig underneath the surface and say: you know, what's good today could be better tomorrow. We've got a term called being "constructively dissatisfied" at UPS, and I think that's a little bit of what Baldrige is all about.

Brad Mitchell, President of Global Logistics and Distribution, UPS

Baldrige 20/20: An Executive's Guide to the Criteria for Performance Excellence

Baldrige 20/20, published in September 2011, helps executives of any organization discover the benefits of using the Baldrige Criteria to strive for excellence, achieve breakthrough performance, and face tomorrow's challenges with confidence. In this book, leaders of Baldrige Award winners from all sectors share their success stories and eye-opening results from their organization's journey to excellence.

The data and stories in this timely book make a convincing case that use of the Baldrige Criteria can help organizations assess and improve their performance, becoming more sophisticated about how to align all of their processes to achieve desired results.

Rosabeth Moss Kanter, Ernest L. Arbuckle Professor of Business Administration at Harvard Business School and Chair and Director of the Harvard University Advanced Leadership Initiative



Schneck Medical Center

2011 Baldrige Award Recipient, Health Care Category

workforce of 800 employees with a net patient revenue of \$98.5 million



ranked second among 94 hospitals in its geographic region and outperformed all local competitors for value-based purchasing

achieved high performance levels in all areas measured by the Hospital Consumer Assessment of Healthcare Providers and Systems

Transforming Health Care Outcomes

The impact of the Baldrige approach continued to be felt most strongly in the health care sector in 2011, the sixth year in a row in which the program received 40 or more Baldrige Award applications from health care organizations. This year's 40 applicants represented almost 60 percent of the total applicant pool.

“Baldrige Hospitals Significantly Outperform Their Peers”

I honestly in my heart believe that because we participated in the Baldrige Program and because it gave us that consistent feedback, there are people who are alive today who wouldn't have been had we not been so committed to the Baldrige process.

Rulon Stacey, President and CEO,
Poudre Valley Health System, Colorado, 2008 Baldrige Award Winner

This statement, one long believed by the Baldrige community, was empirically validated in 2011 in a study commissioned by the Baldrige Foundation. Thomson Reuters, which for the past 18 years has produced the 100 Top Hospitals list using a national balanced scorecard,

compared hospitals that have won a Baldrige Award or received a Baldrige site visit to the industry using publicly available data sets. The study found that Baldrige hospitals

- were significantly more likely to become 100 Top Hospitals (equivalent to the top 3 percent nationally)
- were far more likely to be cited for rapid improvement over a span of five years
- outperformed the industry on five of the six key indices used in the study

FIGURE 1: HOSPITALS ACHIEVING 100 TOP HOSPITALS STATUS IN PERFORMANCE AND IMPROVEMENT*



*Organization-wide performance includes data years 2002–2009. Five-year improvement includes data years 2005–2009.

Performance Excellence in Action

Advocate Good Samaritan Hospital, in Downers Grove, Illinois, is situated in the middle of the highly competitive DuPage County market, where several hospitals have obtained national recognition from Thomson Reuters and others. In spite of the medical arms race taking place in its backyard, Good Samaritan Hospital has managed to accomplish the unheard-of feat of moving market share by more than 17 percent over four and a half years.

Good Samaritan Hospital began its journey from Good to Great in 2004 and embraced the Baldrige Criteria in late 2006, setting out to be the best place for associates to work, physicians to practice medicine, and patients to receive care. The hospital credits the Baldrige Criteria with assisting the organization in understanding and deploying the systematic processes needed to achieve the world-class performance necessary to gain and sustain its competitive advantage. Good Samaritan Hospital's outcomes for associate satisfaction (97th percentile), physician satisfaction (96th percentile), and patient satisfaction (above the 90th percentile) are all indicators of performance excellence in action.



Southcentral Foundation

2011 Baldrige Award Recipient, Health Care Category

*employs 1,487 people with
revenue of \$201.3 million*

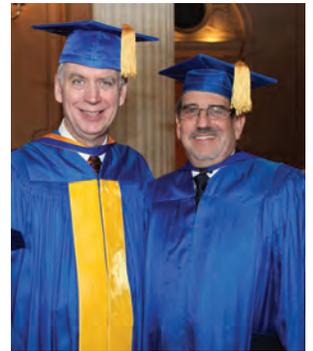


*achieved the highest level of Patient
Centered Medical Home™ recognition
from the National Committee on
Quality Assurance*

*received an overall customer satisfaction
rating of approximately 91 percent*

ACHE Names Baldrige Director Honorary Fellow

On March 11, the American College of Healthcare Executives (ACHE) recognized Baldrige Program Director Harry Hertz “for his role in establishing health care as an official category of the Malcolm Baldrige National Quality Award and for his career dedication to performance excellence” by naming him an Honorary Fellow. The honor, conferred during ACHE’s 54th Congress on Healthcare Leadership, is a special category of the society’s membership that “recognizes individuals who have rendered distinguished service in the healthcare field or in related areas and who would not normally be ACHE members.”



Engaging with Our Communities

The Baldrige Program is always seeking new opportunities to listen to, learn from, and engage with our customers. To that end, the program expanded its use of social media and began a number of new activities in 2011.

Social Media

The Baldrige Program is active on LinkedIn, Twitter, and YouTube, and has been recognized by NIST for initiating Blogrige, the Baldrige blog, which has over 8,000 subscribers. This year, the program established discussion groups on LinkedIn to solicit ideas for improving the program and the Criteria; another group engages new examiners. Several staff members use Twitter to connect with hundreds of customers, and the program set up a Twitter page for the 2011 Quest for Excellence. The numerous videos featuring Baldrige Award recipients on YouTube have generated thousands of views. Visit www.nist.gov/baldrige to read Blogrige and watch these videos.

Uriano Award for Social Media Efforts

The Baldrige Program’s leading role in the use of social media was recognized formally in early December, when five staff Baldrige members received the George A. Uriano Award for “outstanding leadership and innovation in the use of social media to advance the mission of the Baldrige Performance Excellence Program” at the NIST Award Ceremony. Zahraha Brunner, Mary Eastman, Robert Fangmeyer, Barbara Fischer, and LouAnn Scott conducted a formal benchmarking study, identified strategies that aligned with the goal of establishing Baldrige as a thought leader in the online performance improvement space, and then implemented these strategies.

Branding Survey

In May and June, the program administered a survey to gather information on perceptions of the Baldrige brand and on customer requirements and expectations. More than 300 customers and 300 noncustomers completed the survey. These individuals told us that we were strong in some areas (such as having a prestigious reputation) but could improve in others (such as by simplifying our products and services). In October, another online survey for customers and noncustomers tested several brand-positioning statements based on the initial findings. Analysis of the results will give us the information we need to establish a clear brand position for the program and the subsequent messaging and communications based on this position.

Baldrige in Your Community: California Event

The Baldrige Program and the California Council for Excellence launched the first-ever regional Baldrige in Your Community Listen and Learn event on November 4 in Long Beach, California. Seventy-five current customers, former customers, and noncustomers attended this face-to-face feedback forum on select priorities facing the Baldrige Enterprise. Participants offered suggestions for the Criteria for Performance Excellence, and some attended a special session for former customers and noncustomers. Another session focused on the design and implementation a Baldrige Enterprise that builds on and formalizes the relationships and integrates the product offerings of the various state, local, and national programs.

Focus Group for Manufacturers

To help the program engage organizations in the manufacturing sector, Nestlé Purina PetCare (a 2010 award recipient) sponsored focus groups with 30 representatives from the manufacturing sector on October 20. The focus groups probed perceptions of Baldrige and its competitors, as well as the participants' organizational challenges and needs. A professional research firm facilitated the focus groups, which were observed by Baldrige staff members.

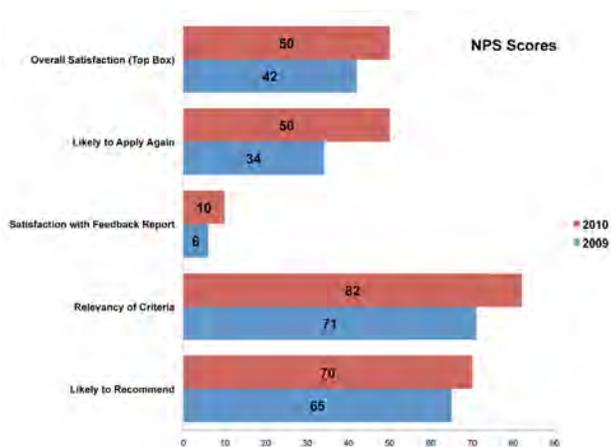
The feedback from the focus group, along with findings from surveys and other events conducted in 2011, will inform the development of future products, services, and messaging. For example, many sources agree that the Criteria book is too complex and includes too much information. Based on this feedback, we plan to publish simplified booklets in 2013 that include only the Criteria and scoring guidelines and to post the additional sections currently included in the book online.

Product and Service Excellence

As in past years, in 2011 the Baldrige Program used the methodology that it advocates by collecting and acting on external feedback. As always, our stakeholders generously pointed out both strengths and opportunities for improvement.

Award Applicant Survey

For many years, the program has surveyed Baldrige Award applicants about their experience with the program. In 2009, based on benchmarking of Baldrige Award winners, we shifted the methodology for conducting this survey to a Net Promoter Score (NPS) metric. The NPS utilizes a rigorous scoring method for a very few key questions. Scores above 50 are considered very strong.



NPS scores for overall engagement with the program and the utility of the Criteria continue to be quite strong and showed improvement this year. Satisfaction with the feedback report, while showing some improvement, continues to be a concern. Analysis of this question led to significant changes in the 2011 format for feedback report comments and our training of the examiners who develop them.

Examiner Training

In 2011, the program delivered the second edition of a substantially redesigned version of training to the Board of Examiners. Post-training overall satisfaction with the training experience averaged a truly exceptional 4.9 on a 5-point scale. The one-day experiences for new examiners and senior examiners, with average ratings of 4.8 and 4.7, respectively, were also well received.



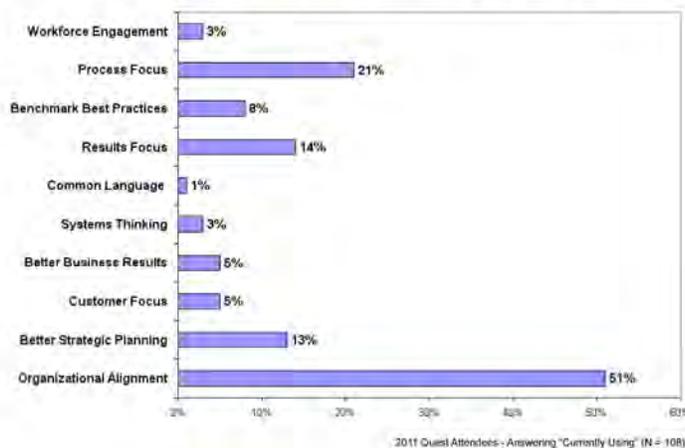
This rating was echoed by *Leadership Excellence*, which for the fourth time in a row included Baldrige examiner training in its list of top government leadership development programs.

Voice of the Customer

As part of strategy mapping, in April the program surveyed the 2010 and 2011 members of the Board of Examiners and this year's attendees at the Quest for Excellence conference

on their requirements and expectations of the program. The nearly 600 responses provided rigorous data on the value we are currently creating and opportunities to expand our impact.

What are the major benefits to your organization from the use of Baldrige?



As shown in the chart below, which summarizes the responses from Quest attendees currently using the Baldrige approach, Baldrige provides one of the most successful means of aligning organizational systems.

Building a high-performance organization in a volatile world can at times seem fairly elusive for those who are leading large institutions. From the growth of technology and shifting customer expectations to the emergence of new markets and global competition, it is clear that what it takes to be successful today is different from what it took just a decade ago—and certainly different from what it was when the U.S. Congress passed the Malcolm Baldrige National Quality Improvement Act in 1987.

The purpose of the Act and the awards program it spawned was to enhance U.S. competitiveness by encouraging organizations to focus on quality and performance excellence. It did this by establishing criteria for evaluating improvement efforts, identifying and recognizing role-model organizations, and disseminating and sharing best practices.

Gregory R. Page, Chairman of the Board and Chief Executive Officer, Cargill, Incorporated, Minnesota, 2008 Baldrige Award Winner

Sharing Success Stories Across the Nation

The Baldrige Program reaches thousands of organizations each year through events and shares the best practices of its award recipients with organizations in all sectors. The state and local Baldrige-based programs, which are part of the national Alliance for Performance Excellence, expand the reach of the sharing efforts across the country at the local level.

In April 2011, the Quest for Excellence® conference showcased the seven 2010 Baldrige Award recipients and 25 former award recipients to 850 attendees. The 24th Annual Quest for Excellence conference will be held in April 2012.

In September 2011, more than 400 attendees participated in the Regional Conferences in Kansas City, Missouri, and Birmingham, Alabama, with each event featuring 15 or more award recipients. The conferences were hosted in partnership with the Excellence in Missouri Foundation and the Alabama Productivity Center and were cosponsored by the Alliance for Performance Excellence. The 2012 Regional Conferences will be held in Scottsdale, Arizona, and Des Moines, Iowa.

The partnership between the Baldrige Program and the Alliance's state program members has created a national Baldrige network to improve the performance of U.S. organizations. In 2010, 35 independently funded and managed state and local Baldrige-based award programs evaluated 1,350 applications using 2,270 volunteer examiners. These statistics for Missouri illustrate the local impact of just one Baldrige-based program:

- 28 Missouri organizations applied for the Baldrige Award from 2005 to 2010.
- The 6 award applicants in 2010 represented 22,800 jobs, 90 in-state and 40 out-of-state work locations, \$3.1 billion in revenues/budgets, and an estimated 46 million customers served.
- 21 Missouri Baldrige examiners volunteered over \$311,000 in services in 2010.
- 8 Baldrige Award winners from Missouri serve as national role models.

In addition to hosting its own events, the Baldrige Program exhibited at 17 conferences in 2011, reaching over 30,000 conference attendees. At these conferences, the program showcased its services to manufacturers, quality professionals, health care executives, education leaders, association executives, small business professionals, and training specialists.

Along with the outreach occurring at the state level and the ongoing sharing efforts of Baldrige Award recipients and Baldrige examiners, success stories of Baldrige recipients and users can be found all over the United States.





improve the competitiveness and performance of U.S. organizations

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